

**Springerville Town Council
Minutes
January 21, 2004**

Present: Mayor Kay Dyson, Vice-Mayor Mary Nedrow, Mark Baca, Ramon Castillo and Scott Cray

Staff: Kurt Hassler Town Manager, Val Cordova Town Clerk, and Sterling Solomon Town Attorney, Marnie Uhl, Chamber Director

Public: Larisa Bogardus, Dave and Amy Pulsifer, Jeff Barbe, Chris Udall, Roxanne Knight, Tracey Powers, Scott, Erin, and Haley Silva, Charlene & Bill Becker, Edde, Farrah, David and Alana Castillo, Sheila & Sean Dulhante, Betty Amator, Kay Williams, Gary Kiehne, Connie & Pete Hunt, Mike & Jean Dew, Margi Harper, Amber Whiting, Susan Martin, Malcolm and Suzie Silva, Ed Schlosser, Chuck and Barb Hughes, Bill Willis and owner of Super 8 Motel.

1. Call to Order

Mayor Dyson called the meeting to order at 6:00p.m.

2. Pledge of Allegiance and Invocation

The Pledge of Allegiance was led by Councilman Castillo, Invocation by Councilman Cray.

3. Public participation

None

4. Manager, Council and Chamber Reports

Vice-Mayor Nedrow reported that Arnie Moya was reappointed as Planning and Zoning Chairman and Bill Lucas was reappointed as Vice-Chairman. She reported that several items on the agenda were tabled while they request a ruling from the town attorney.

Mayor Dyson reported that she attended legislative day for the Health Care District in Phoenix and also met with the Director of CDBG program. Then with Mel Slaysman the Structural Engineer on the report that was given to them a few weeks ago.

She also met with the Apache, Navajo Counties regarding water briefing on the state wide water crisis. The governor is forming a task force to determine how to come up with enough water to meet the needs should the drought continue which may include mandatory state wide conservation. There was discussion on the formation of AMA's active management areas for water. She noted that this may not be needed as we have the Upper Little Colorado River Water Shed Partnership that plans and oversees some of the water problems in the area.

Mayor Dyson reported that she attended the Chamber Board meeting this week. There will be a candidate forum on February 19th at the American Legion for anyone wishing to meet the candidates and ask questions.

Councilman Cray reported that he and Mr. Hassler attended the Little Colorado RC& D meeting in Winslow on the 13th. The RC&D are researching implementing a small business revolving loan program based on money from USDA Rural Development as well as donations from a consortium of towns that they will match by double or triple.

Ms. Knight said they also reported on a number of small projects that are on going.

Chamber Director Marnie Uhl said that she had given a written report but wanted to put some focus on the Springerville Candidate forum taking place on February 19th. This forum is being co-sponsored by the American Legion and the VFW and the Chamber. Eagar will have one on February 24th at the VFW.

She reported that the chamber received a survey regarding this loan program with several questions regarding whether they have been approached for this type of loan and how much and if there was a

need in our community for this kind of loan program. Ms. Uhl reported that they are 100% in favor of this.

Mr. Hassler noted that he put detailed financial statements in the Council members boxes as well as the 2002-2003 Fiscal Year audit. He encouraged the Council to come in to see him if they had any questions. A work session for the audit is scheduled for next Wednesday the 27th at 6:00pm.

The next Planning and Zoning Commission meeting will be on February 12th at 7:00pm beginning with a work session at 6:00pm to discuss Recreational Vehicles and continue discussion on the General Plan update. Mr. Hassler advised the Council that the Planning and Zoning commission have extended an invitation to the Council to the work session to discuss concerns, views and desires and input, not only on the recreational vehicles but also the General Plan.

On January 27th the Parks, Recreation, Cultural Heritage committee will be meeting. This agenda will consist of a Master Plan for Becker Park. The committee created a shopping list of things they would like to see in the park next to the post office. From these comments he has designed something to scale to present at the next meeting. If they approve this design he will work with them in defining what types of materials will be used. He will be working out cost estimates to try to work into the budget schedule and/or budget this project over the next couple of years. The same process will be used on Pioneer Park, our main park here in town. This process will probably begin at the February meeting.

The Airport Committee met on Tuesday night and the next meeting will be on February 10th. There was general discussion on the issue of hangars. They had a call from a gentleman that would like to construct a hangar but there are no provisions to allow this. He will be working with the committee to develop some standards and ideas and present a policy to the Council sometime early this summer.

He reminded the Council that the goal setting session is scheduled for February 25th. He will update them on goals they set last year and go through the process of establishing new goals as staff moves in and start to prepare the budget for the next fiscal year.

He reported that the town received a FEMA grant through the Fire Department for a new fire truck totaling \$157,000. \$141,500 will come from FEMA the match is \$17,500. This means that they will pull at least one truck but have discussed the possibility of pulling out two fire trucks and replacing them with one new fire truck. This will cut down on maintenance costs over the year.

The Planning and Zoning Commission issued one Conditional Use Permit to Rob Overacker from Pinetop to run a construction yard out from the old Waste Management building on Highway 180. The sale of this property is contingent upon getting the CUP as well as some environmental issues that he is looking into.

5. **Minutes**

Consider approval of the minutes from the town council meeting held on December 3, 2003.

Motion by Mary Nedrow/Scott Cray to approve the minutes of December 3, 2003.

Vote:	Ayes:	Kay Dyson
		Mary Nedrow
		Mark Baca
		Scott Cray
		Ramon Castillo

OLD BUSINESS

6. **Ordinance 2004-001:** Second reading and discussion of Ordinance 2004-001 regarding raising of the transient lodging tax from 1% to 3%.

Mayor Dyson read the ordinance. "An Ordinance of the Town of Springerville, Arizona, relating to the privilege license tax; amending the town tax code by increasing the tax rate on transient lodging; providing penalties for the violation thereof; providing for severability and designating an effective date". She asked Mr. Hassler to give a short rundown of the previous discussion and brief summary of the meeting with the motel owners.

Mr. Hassler explained that the possibility of raising the bed tax first originated when the budget discussion took place in April or May from 1% to 3%. This would go into effect on April 1, 2004. He noted that if there are any changes made to this ordinance tonight they will have to start over with a first reading and second because it changes the effective date.

Mr. Kiehne addressed the Council and informed them that he had more information he would like to present to them regarding the total town tax revenue since 1980. He again proposed that the Council consider adopting a hospitality tax versus the lodging tax.

Ms. Knight also asked that they consider this option as it would be fairer to impose a smaller tax across the board with the hospitality tax. Day visitors to the community that do not stay overnight would contribute to a hospitality tax. If the tax is small it will not have a heavy impact on the locals or individual businesses. She reiterated that this would be a fairer means of spreading the budget needs than to pile them on four or five motels and appreciated the Council considering this.

7. ORDINANCE 2003-001: Consider adopting Ordinance 2004-001 regarding the raising of the transient tax lodging tax from 1% to 3%.

Mayor Dyson explained that she was looking at how to raise money for the town but not on the backs of our citizens or our motels. This is a tax that would be borne by travelers. She felt that this tax was fair, and will raise \$1.00 that will be passed on to visitors. She felt it was fair to ask the tourists who come here to put in an extra \$1.00 to help.

Councilman Cray stated that this was market driven but struggles with increasing any taxes. He hoped to do some improvements with the additional money.

Vice-Mayor Nedrow stated that she would prefer to see a 2% tax instead of 3% but suggested that they post pone this for a while to see what the results are.

After more discussion the Council made a decision to take no action tonight but to bring it back in June or July after they see the effects of Bechtel coming in. At that time they would also look at imposing a hospitality tax.

Mayor Dyson stated that the point on gauging on the rental market was well made and didn't feel that they should do this in our motels. This time gives the Council a chance to reconsider this. She stated that she felt that they still need a bed tax or hospitality tax. She said she would still vote for it when it comes back or a hospitality tax.

8. TOWN HALL RESTORATION: Consider proposals to restore the existing elementary school.

Motion by Mary Nedrow/Ramon Castillo not to destroy the Springerville School, but to retain it for the best use of the Town of Springerville.

Mr. Hassler stated that the next step is to schedule a work session to get the Council to discuss the issues of "What are the uses going to be? How are we going to pay for the renovation of the building? What is the phasing going to be? These are decisions the Council will have to make. With the current meeting schedule, he suggested meeting together in a work session in March to discuss these issues.

Mr. Solomon Town Attorney advised the Council that they would need to start the process to make sure that everything is legal and proper and that it can take place. Prior to meeting at a work session in March the Council will need to discuss things that need to happen first.

Mayor Dyson clarified that there are legal issues such as the safety of any volunteers and the liability. The other issue is the deed restriction that will need to be taken care of and feels that there are ways to conform to the deed restrictions or clear it up.

Vote:	Ayes:	Kay Dyson
		Mary Nedrow
		Mark Baca
		Ramon Castillo
		Scott Cray

Mr. Chris Udall from Congressman's Renzi office addressed the Council and public. He stated that he was here on behalf of Congressman Renzi to express his willingness to assist with keeping the school building. They will begin looking at different options at a Congressional level to assist i.e. grants or appropriations. He was happy to see that the Council voted unanimously to save the school. Mr. Udall said he would be in touch with the Mayor and staff when the time comes.

Mayor Dyson advised Mr. Udall that the town has received a grant from the State Historic Preservation to provide \$48,000 to begin work on the foundation; the town has pledged \$32,000 to match those funds. She noted that the first thing that they need to do is to get the structural engineer to show what parts of the building need to be stabilized and how. Her recommendation is to form a committee of town staff, and members of the school committee. She strongly believes in historic preservation but also believes that the people who believe in historic preservation should help pay for it with donations and pledges. Mayor Dyson then pledged \$200.00 a month for the next two years toward this project and thanked the committee.

Councilman Cray also pledged a commitment toward this project. He also asked Mr. Hassler to research how they could contribute toward this fund on a pre-tax basis.

Mr. Solomon said he would meet with a CPA to get advice on how to make a pre-tax donation.

- 9** **QUARTER MOON CONTRACT RENEWAL:** Consider authorizing the Town Manager to renew the waste dumping contract with Quarter Moon.

Mr. Hassler explained that the contracts for items 9 and 10 are identical. He advised the Council that he met with both parties to discuss any changes. He pointed out the changes made to the contract. 1.11 - To collect ten cents (\$0.10) per gallon of said waste and provide a receipt indicating such payment prior to the dumping of any waste unless an agreement is developed with the Town Manager due to unusual circumstances.

Make a town employee available, during normal town business hours (7:30am to 4:00pm), to make the approved dump site accessible for disposal of said waste upon a call from Quarter Moon.

Motion by Mary Nedrow/Scott Cray to authorize the Town Manager to renew the waste dumping contract the proposed contract with Quarter Moon.

- 10.** **NATURAL SOLUTIONS CONTRACT RENEWAL:** Consider authorizing the Town Manager to renew the waste dumping contract with Natural solutions.

Mr. Solomon noted a there was a typing error in the contract. He advised Mr. Hassler PTL should be changed to PTL through out the contract.

Motion by Scott Cray/Mark Baca to authorize the Town Manager to sign a proposed contract with PTL Services, Inc. to expire December 31, 2004.

Vote:	Ayes:	Kay Dyson
		Mary Nedrow

Mark Baca
Ramon Castillo
Scott Cray

Mrs. Hughes explained that she will pay in advance and will turn in the gallons from the Forest Service to the city.

11. **TOWN MANAGER REVIEW:** Consider entering into executive session to conduct the one year review of the Town Manager.

Mayor Dyson announced that they would move to the end of the meeting.

12. **SEPTIC WASTE CONTRACT:** Consider authorizing the Town Manager to sign a contract with Phil Jones to allow for the dumping of septic waste into the Town's Sanitary sewer system.

Mr. Hassler asked the Council to table this action as he has not been able to contact Mr. Phil Jones.

Motion by Mary Nedrow/Ramon Castillo to table this item.

Vote:	Ayes:	Kay Dyson
		Mary Nedrow
		Mark Baca
		Ramon Castillo
		Scott Cray

13. **RESOLUTION 2004-R001** Consider authorizing the Mayor to sign Resolution 2004-001 setting the fee structure for the Town of Springerville.

Mr. Hassler explained that the last four pages of the Resolution "Exhibit A" is the fee schedule with the first seven pages describing each separately. All of the rates the town is currently charging were reviewed and changed as deemed necessary and have been discussed during several meetings.

Changes were made in the areas of building, zoning codes, clarifying administration items, and water and sewer rates and associated fees as previously discussed during the Council meetings. He reviewed the changes that have been made.

Mr. Hassler advised the Council that the proposed fees for turn on or turn off will remain at \$5.00 as well as the after hours fee until it is changed by ordinance. He also noted that a late fee of \$5.00 has also been proposed. He suggested removing the crossing the road fee when the Council makes a motion.

The last set of fees discussed was cemetery fees. The fee for opening and closing of graves is being proposed at \$150.00 and \$250.00 after hours or week ends. Reservation of gravesites to \$100.00, and disinterment of graves is being added for a fee of \$300.00.

Mayor Dyson explained that the cemetery fees were being raised to help cover the cost of a new plot of land for a cemetery.

Mr. Hassler stated that currently there is not a lot of maintenance at the cemetery but is something they would like to see changed. Town staff will be working to update cemetery records to get a grasp on how much space is actually left.

Motion by Scott Cray/Mark Baca to authorize the Mayor to sign Resolution 2004-R001 setting the fee schedule with the noted changes of turn off/turn on changed to \$5.00, adding a sewer and water late fee of \$5.00.

Vote:	Ayes:	Mayor Dyson
		Mark Baca
		Scott Cray

Nays: Mary Nedrow
Ramon Castillo

14. **JANITORIAL SERVICES CONTRACT:** Consider authorizing the Town Manager to sign a one year contract with Cora Lee to provide janitorial services for town hall for 2004.

Motion by Scott Cray/Mary to authorize the Town Manager to sign a contract with Cora Lee to provide janitorial services to the town for 2004,

Vote: Ayes: Kay Dyson
Mary Nedrow
Mark Baca
Ramon Castillo
Scott Cray

15. **PORT-A-JOHN SERVICES CONTRACT.** Consider authorizing the Town Manager to sign a one year contract with Quarter Moon Portable Privy and Septic Service to provide port-a-johns to the Town.

Motion by Scott Cray/Mary Nedrow to authorize the Town Manager to sign a one year contract with Quarter Moon Portable Privy and Septic Service to provide port-a-john service to the town for year 2004.

Vote: Ayes: Kay Dyson
Mary Nedrow
Mark Baca
Scott Cray

Nays: Ramon Castillo

Mayor Dyson stated that these services were advertised in the newspaper.

16. **CASA MALPAIS STABILIZATION GRANT:** Consider authorizing the Town Manager to accept a grant from the National Park Service to perform stabilization work at the Casa Malpais site.

Motion by Scott Cray/Ramon Castillo to table this issue until the Council has more information on how long this grant can be delayed and the Council can set goals.

Mr. Hassler advised the Council that Mary Padilla had left him a message saying that the grant had been awarded but the money is not actually there yet. He commented that he would really like to get TEP and Bechtel involved in this project. This project involves back filling of some of the ruins and some stabilization and rebuilding of some walls.

Vote: Ayes: Kay Dyson
Mary Nedrow
Mark Baca
Ramon Castillo
Scott Cray

Ms. Knight suggested working on this project in conjunction with the 4 Corners Heritage Foundation. Mayor Dyson suggested she work with Mr. Hassler to put this on a future Council agenda for discussion.

17. **PER DIEM REQUEST:** Consider authorizing reimbursement to Scott Cray for attending a meeting.

Councilman Cray declared a conflict of interest and left the meeting.

Motion by Ramon Castillo/Mary Nedrow to authorize \$50.00 per diem reimbursement to Scott Cray for attending the Blue Hills Executive Board meeting on December 8, 2003 in Springerville.

Vote:	Ayes:	Kay Dyson Mary Nedrow Mark Baca Ramon Castillo
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18. **PER DIEM REQUEST:** Consider authorizing reimbursement to Scott Cray for attending a meeting.

Motion by Mark Baca/Mary Nedrow to authorize the Town Manager to pay Scott Cray \$50.00 for attending the Little Colorado RC&D annual meeting on January 13, 2004 in Winslow.

Vote:	Ayes:	Kay Dyson Mary Nedrow Mark Baca Ramon Castillo
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11. **TOWN MANAGER REVIEW:** Consider entering into executive session to conduct the one year review of the Town Manager.

Motion by Mary Nedrow/Ramon Castillo to enter into executive session at 8:10pm

Vote:	Ayes:	Kay Dyson Mary Nedrow Mark Baca Ramon Castillo
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Councilman Castillo asked to be excused from executive session as he had to leave town.

Motion by Mary Nedrow/Mark Baca to reconvene the meeting

Mayor Dyson reconvened the meeting at 9:00pm.

Motion by Scott Cray to modify the contract for Kurt Hassler as discussed and asked the Attorney to read the modifications so he can complete his motion.

Mr. Solomon read the proposed modifications:

- Extension of the contract from one year to two years to begin January 2004 ending January 21, 2006.
- Include section M - to indicate if purchases are already included as a line item in the approved budget the Town Manager does not have to seek the approval of the Town Council to make the purchase.
- Addition of item N. - The Town Manager will provide services as Planning and Zoning Administrator
- The sum of \$60,000 compensation for services as Town Manager with an increase to \$83,000 for the additional services of Planning and Zoning effective January 21, 2004.
- To Strike the language in section 7 – and replace with language indicating that the Town Manager is to use a town vehicle on all official business for the town and his personal vehicle to commute to and from home.

Councilman Cray stated that he would like to strike that or modify it to say that he is to use the town vehicle to and from work also.

Comment from Mr. Solomon stating that the language he just stated won't be included according to Councilman Cray's motion.

Mayor Dyson clarified that they would have to vote against it if they don't agree with the motion.

- 11a – Proposed that the period of time of notice to terminate shall be changed to 90 days rather than 60 days.
- Strike item 13 completely.

The motion died for lack of a second.

New motion by Mary Nedrow/Mark Baca to offer Mr. Hassler a new contract with the changes listed by the attorney with the change to M and adding a line item, change section 7 and change it out so he is to use a town vehicle for official business and his personal vehicle to commute to and from work.

Vote:	Ayes:	Kay Dyson Mary Nedrow Mark Baca
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	Nays:	Scott Cray
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19. Motion by Mark Baca/Mary Nedrow to adjourn the meeting.

Vote:	Ayes:	Kay Dyson Mary Nedrow Mark Baca Scott Cray
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The meeting adjourned at 9:15pm.

Kay Dyson, Mayor

ATTEST:

Valentina Cordova, Town Clerk

I hereby certify that the foregoing is a true and correct copy of the minutes of the Springerville Town Council in regular session on Wednesday January 21, 2004 I further certify that the meeting was duly called and a quorum was present.

Dated this 23rd day of January 2004

Valentina Cordova, Town Clerk